TECHNICAL PROGRAM UPDATE – May 2026

DEQ Low-Embodied Carbon Housing Program

Re: Rebate-eligible costs, Build America Buy America determination, Reuse analysis and calculation

Periodically, Oregon DEQ issues Technical Program Updates for the Low-Embodied Carbon Housing Program. Technical Program Updates are intended to clarify and/or improve program requirements and processes. Oregon DEQ will revise previously published program materials to reflect updates. Housing project teams ("Beneficiaries") should reference most recently published guidance. For additional guidance, contact: deqhousing@deq.oregon.gov.

Clarification and Revision: Rebate-eligible costs

Housing projects that have successfully demonstrated compliance with the 10% reduction in embodied carbon (Program Requirement #4) are eligible to receive full rebate amounts – $20k/unit for the space-efficient track or $45k/unit for the adaptive reuse track – provided the project's total rebate-eligible costs are greater than or equal to than the project's total potential rebate amount ($20k or $45k per unit multiplied by the number of units).

The set of rebate-eligible costs has been substantially expanded to include the following:

- Permit fees (limited to housing-related fees)
- System development charges (limited to housing-related charges)
- All material costs, including associated labor and equipment rental costs
    - Note: This is a significant shift from previous guidance that labor costs were not eligible. This revised approach includes costs for both the material and labor associated with building low-embodied carbon housing unit(s).
    - Note: This includes building conversion costs required to convert an existing building to housing such as seismic upgrades, egress, fire suppression sprinklers, abatement of asbestos or lead, or heating systems.

- Architecture, engineering, or contractor service fees associated with the selection of low-embodied carbon materials or the design of low-embodied carbon strategies including the primary space-efficient or adaptive reuse strategies.

All claimed rebate-eligible costs must be documented with receipts.

All materials/products contributing to the housing project's achievement of the 10% reduction in embodied carbon claimed within Reporting Form calculator must be documented with receipts and, where required by the compliance pathway, Environmental Product Declarations (EPDs). The EPDs must be product-specific, manufacturing facility-specific, and have an active validity period. (Refer to Low-Embodied Carbon Compliance Guidebook for additional guidance on acceptable EPDs.)

Clarification and Revision: Build America Buy America determination

Program applicants ("Beneficiaries") are responsible for determining whether Build America Buy America (BABA) applies to their housing project(s), as well as any BABA fees or penalties for any non-compliance issues, if any.

For additional information visit EPA Build America, Buy America (BABA) Act, M-24-02 Guidance Document, FAQ for Manufacturers, and the EPA for Climate Pollution Reduction Grants FAQ. EPA has approved the Small Project General Applicability Waiver of Section 70914(a) of P.L. 117-58, Build America, Buy America Act, 2021 for small projects funded through CERTA that receive less than $250,000 in federal funds from all sources.

Clarification and Revision: Reuse analysis and calculation

Project applicants ("Beneficiaries") following the Adaptive Reuse strategy must demonstrate a minimum reuse of 45% of the existing buildings primary structural elements and enclosure. Note: this is not required of Space-Efficient projects.

The reuse analysis should, at minimum, include the following:

1. A site, demolition, or building plan(s) that graphically identifies areas of the existing building and areas of the existing building that will be retained.
2. A table with area calculations demonstrating a minimum of 45% of the existing buildings primary structural elements and enclosure will be maintained. The percentage will be determined by dividing the square footage of the total retained

materials area by the square footage of the total existing materials area. The table shall include the following information:

- Existing total area and retained total area of primary structural elements (foundations, columns, beams, structural wall framing, floors framing, lateral elements) of the existing building in square feet
- Existing total area and retained total area of the building enclosure (wall framing and exterior finish, roof framing) of the existing building in square feet

	Existing Total Area (A)	**Retained Total Area (B)**	**% of Retained Building (B)/(A)**
Primary Structural Elements of Existing Building (foundations, columns, beams, structural wall framing, floor framing, lateral elements)	_____ sq ft	_____ sq ft	_____ % (C)
Building Enclosure of Existing Building (exterior wall framing and finish, roof framing)	_____ sq ft	_____ sq ft	_____ % (D)
Total % reuse of required elements (C+D)/2		_____%	

Guidance on how to calculate primary structural and building enclosure elements

Component	**Guidance for Area Calculations**
Foundations	Total area
Columns	Surface area of longitudinal face
Beams	Surface area of longitudinal face
Structural wall framing	Surface area (one side)
Floor framing	Surface area (one side)
Lateral elements	Surface area of longitudinal face
Exterior wall framing and exterior finish	Surface area (one side)
Roof framing	Surface area (one side)